

**Farm Service Agency
Administrator James R. Little
Speaking at the National Association of Farm Service Agency County Office
Employees (NASCOE) 2004 National Convention
Baltimore, Maryland on July 29, 2004**

Good Morning. And thank you, Steve, for the kind introduction - and especially for the invitation to be here in Baltimore. And WELCOME everyone to the East Coast! After attending the last 3 National NASCOE conventions in venues Little Rock, St. Paul and Las Vegas, I'm glad you all chose Baltimore so you can take in the combination of some Eastern Shore and Southern Hospitality, all in one venue!!!

So much has happened over the last 3 - now nearly 4 years - since I've been Administrator! But while a lot has already happened, we're about to see even more change - and that's what I want to talk about today. And also, I want to talk about how the President's Management Agenda will help us all better manage that change and enhance the way we do business through innovation and automation.

I sincerely appreciate the good work NASCOE has done over the many years to make FSA the best Agency at USDA. You have helped us adapt to the many changes that have occurred over the years. FSA and NASCOE working together - that's been the key to our success.

Do you realize that this year - 2004 - marks the 70th anniversary of the Commodity Credit Corporation? Seventy Years! Yes, on October 17, 1933 - 70 years and 9 months ago to be exact - CCC was incorporated as a Delaware Corporation with a \$3 million capitalization. Then, on July 1, 1939 - or 65 years ago - CCC was transferred to the United States Department of Agriculture. Since that \$3 million in seed money was planted, CCC has blossomed and grown into a \$30 BILLION wholly owned Federal corporation. With assets totaling over 17 billion dollars and 30 billion dollars in borrowing authority, CCC ranks up there with some of the largest corporations in the world.

Farm life has changed dramatically since CCC was first established back in the 1930's under the New Deal. In 1933, farming was one of the most difficult occupations around. Today it still is.

Today's farmers not only have to be expert managers of their crops, lands, animals and equipment, but they also have to be expert business people and marketers - and like in the 1930's - they continue to be at the mercy of the weather. Today, there are approximately 2 million farms - and in 2003 we saw record annual farm income of approximately \$65 Billion. We also expect near record farm income again this year with annual gross sales of some \$200 billion. Ag exports alone are at all time highs -- over \$60 Billion dollars in 2003.

The face of American farming is changing. The latest Census of Agriculture shows women are becoming more and more influential. As a matter of fact, about 27 percent of the nations 3 million farmers are women who either run the farm alone or work in the day-to-day operations with their husbands or others. About 2 percent are Hispanic, and that number is growing by leaps and bounds. Black farmers make up a little over 1 percent of the population. And these changes bring diversity and new ways of doing things. Small farms in general are at a crossroads, especially as niche farming takes hold and organic farms increase.

These new perspectives -- brought on by the increasing diversity -- will likely serve American farming well as it tackles the new challenges and opportunities that come its way.

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Business has also changed tremendously since CCC's early days, especially over the last 20 years - both on the farm and at our work. For example, when I first came to the old ASCS back in 1984 - we literally had to do everything by hand.

Today, nearly every application is automated - and many of them are either on-line or being put on line.

Many of you can remember -- as I do -- the implementation of ABAFAS - our first budget and funds control system. You remember the County Office Administrative System and the System 36. And our first real attempt at interacting on line with the trade - the Cotton Automation System. You remember the first roll out of the infamous planimeters - which are now being replaced by GIS. And we all remember the roll out of the FAX machines! None too soon!

While all of these initiatives were life changes in the way we did business -- utilizing technology to better serve our customers and make our own jobs easier and more efficient, they were not always implemented holistically -- with the entire agency's interest in mind. Those systems have served us well, but they are in dire need of replacement. That's where the President's Management Initiatives are providing great benefits -- in helping us focus on our vision and our mission.

Life in the new millennium is all about change. And through the eons, great thinkers of every age have hypothesized about the inevitable -- changes -- But one of the most reflective hypotheses was by Francis Bacon, one of the pioneers of modern scientific thought in the 16th century. Let me quote him: "Things alter for the worse spontaneously if they are not altered for the better designedly." And FSA, since the mid-80's - has been "designedly" implementing change to serve our customers better. And the President's Management Agenda will help us stay focused in the future.

Over the last several months, I've been promoting the President's Management Agenda and talking - sometimes bragging - about what USDA and FSA are doing to implement change and improve the way FSA does business. We want to develop and implement better designs so we can better chart our own course - so our course won't be altered spontaneously for the worse.

And part of this whole process involves the development of a new strategic plan. You'll be hearing more about FSA's strategic plan during your sessions.

FSA's new Strategic Plan will not only link our budget and performance systems together - it will also set the stage for the dramatic changes looming in the way FSA does business. This plan will also help FSA tell its story to the people who really matter the most -- our stakeholders, Congress, OMB, the Secretary, and most importantly -- our employees, who get the work done each day.

We'll be telling you more about our strategic plans later, but first, let me set the stage -- by reviewing some of the positive changes already underway at FSA that tie to three of the President's Management Agenda initiatives - specifically, ones that will impact you the most - Financial Management, e-Gov, and Budget and Performance Integration.

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E-Gov and Financial Management are just two initiatives that have been an important part of Secretary Veneman's focus this year. These two initiatives -- alone will have a tremendous impact on making our programs more customer focused.

This spring, she unveiled the USDA Customer Statement that will enable producers to view their program information through one web portal. EGov will save taxpayer dollars and streamline citizen-to-government communications. FSA played a major role in the development of this tool. With almost 40 percent of the nation's farms already using the computer for business and one-half with internet access, this application alone will be a tremendous tool for our customers.

Over the past 3 years, we've spearheaded a number of other bold initiatives - supporting FSA's long-term strategic goals and The President's Management Agenda.

- For example, last year, we launched the new web-based sign-up application for the Conservation Reserve Program, interfaced with NRCS's soils databases.
- In November 2002 and October 2003, we launched new systems providing rigorous funds control over our disbursements.
- In June 2003, we entered a new era of cooperation with our private industry partners when we launched a web-based cotton inventory marketing system.
- In April 2004, we launched the roll out of the new Farm Business Plan - this represents the first major change in the way we make loans in over a half century!
- In May 2004, pilot testing began for a new acreage compliance tool driven from geospatial data.
- And this August, we'll launch a Financial Services interface so our customers can update routing information for electronic funds transactions.

Bottom line - we're working hard to give our customers better access to THEIR government.

- Also this summer, we'll be implementing a National Payment Service. This central processing system will webify the e-LDP process -- that will go nationwide this fall. Also, the MILC program, which is being beta tested this week, will also be on the web this fall.
- Eventually, ALL of our programs will be webified...
- Also this fall, we have several other initiatives underway.
- First, we'll be transferring the major administrative and financial responsibilities related to EQIP, over to NRCS.
- Second, we'll be working closely with the CIO to converge many of FSA's, NRCS', and RD's information technology responsibilities; and
- Third, we'll start the process of improving the way we make payments on small purchases.

I know, these will be significant life changes in the field. But overall, they will improve our operations, eliminate redundancies, and free up quality time for you to spend with your farmers and ranchers. We are in the new millennium, and we will see customer service improve.

Let me assure you your jobs are secure. The way you do your jobs may change, but let me assure you, also, the FSA face will for years to come continue to be a part of rural America.

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By capitalizing on past successes, we're also embarking on an aggressive retooling of all of our other business processes - Agency-wide. This process is known as MIDAS - short for Modernize and Innovate the Delivery of Agricultural Systems - and it's being facilitated by IBM.

FSA, like all of government, is in the midst of tremendous change. We want to eliminate inefficiencies and improve services. We want to strengthen our information technology infrastructure. We want the most effective structure and we want improved customer service.

When we're finished, we'll have totally revamped the way we interface with farmers and producers and with each other. We'll provide an array of options for our customers to conduct their business, both online from customers' homes or places of business, and from our traditional county offices.

In the last short three and a half years, all FSA employees have accomplished a remarkable amount of work, not only in automation, but in program delivery. ALL have performed extremely well. And I'm proud of every one of you. Thank you for your diligence and your energetic, hard work.

Now that the Farm Bill is firmly in place, we'll also be focusing on the third Management Initiative I mentioned earlier - Budget and Performance Integration - another way to tell others about how good we are at what we do, and back it up with solid facts and figures.

We'll do this through our new strategic plan.

And if we do it right, the new strategic plan will help us deal with the current budget crunch. You probably know that the President's 2005 budget includes the outright termination of 65 programs and significant reductions in 63 others throughout the Federal Government.

The House mark slots FSA for S&E reductions of \$17 million in 2005. Looking ahead to the future, we can expect even more competition for discretionary funds. So the better we can tell our story - the better chance we'll have to maintain adequate funding to get our jobs done efficiently.

Agencies that can't tell their story - Won't get full funding or even credit for their accomplishments.

Late last year, FSA took the initial steps for developing the new Strategic Plan and what we call our Budget and Performance Management System - or BPMS. The new Strategic Plan will be the cornerstone of BPMS. And, so far, in less than a year, we've already developed a new framework, upon which the final plan will be developed.

This effort has required countless hours of hard, serious work by core team members and FSA's Senior Management Team. And some of you were on that CORE Team, and I appreciate NASCOE's organization's contributions.

To help in the effort, we conducted an employee survey that I hope each of you participated in. The responses we received represented a broad "Clint Eastwood Style" spectrum of the Good, the Bad, and the Ugly. But they were responsive, which we greatly appreciated. They indicated - quite clearly - that it's time to better communicate FSA's mission and goals to its

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employees. You made it clear you wanted to have more advance notice of what is occurring throughout FSA - and you wanted more details on how the budget affects you. You have my commitment that we will keep you informed and involved in every step we take on the path to full implementation of the new Strategic Plan - and about what goes on throughout FSA.

An important part of the BPMS development phase also involved listening to what our constituents or stakeholders had to say about what they expect from the Farm Service Agency. We held six external stakeholder meetings, four in Washington, D.C., one in Sacramento, and one in Omaha. We specifically invited people who represent American Agriculture, minority groups, other government agencies, trade associations and commodity groups.

When you all return to your offices next week, we need you to thoroughly review the new strategic framework which is on the FSA website. Provide us your comments. I'd also like you to keep your focus on the agency's mission and goals - and recognize that the Strategic Plan we're developing is in direct response to the President's Management Agenda.

Our continued focus on customer service includes making our programs more accessible to all Americans. We are working hand in hand with Assistant Secretary for Civil Rights Vernon Parker in ensuring that all of our customers have equal access to all of our programs.

We're listening to our constituents on how to improve our services. We're listening to all customers, especially to our small and minority customers. And over the next few weeks and months, you'll be hearing a lot about our plans -- like the heightened emphasis we're placing on the County Committee Election process this year. About the new minority farm registry and the new customer comment card. We're doing everything in our power to ensure minorities and socially disadvantaged get the service they need and deserve.

All in all, these are exciting times at USDA and especially at FSA. I ask all of you to join me in accepting wholeheartedly the responsibilities and challenges presented in the President's Management Agenda.

I want to emphasize that when fully implemented, our new Strategic Plan will enhance, not hamper, our efforts to provide quality service to our customers.

I'm convinced the new plan, along with the ongoing modernization of FSA's technology, will improve your working conditions and enable us to prove just how efficiently and diligently you serve our Nation's farmers and ranchers.

Thank you all for your professionalism and thank you in advance for your commitment to being accountable and telling the public how great an agency the Farm Service Agency really is.

I have to say that my years as FSA's administrator have been the highlight of my career. Never before have I been more proud to be an American.

And never before have I been more proud to be a public servant. I hope you feel the same way I do, especially as we enter into another new phase of change and a new level of superior customer service.

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As always, thank you for all you do for America's farmers, ranchers, and rural America, and God's speed to you all.